

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 04480 251605Z

67

ACTION ARA-10

INFO OCT-01 ISO-00 SAB-01 OMB-01 CU-02 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 /060 W
----- 069643

R 251437Z JUL 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 4619

INFO PAN CANAL

USCINCSO

C O N F I D E N T I A L PANAMA 4480

EO 11652: GDS

TAGS: PGOV, PN

SUBJ: CANAL TREATY NEGOTIATIONS: NACR SESSION I: ILLUECA SPEECH

REF: PANAMA 4229; PANAMA 4248

SUMMARY: THIS CABLE, THE FIRST OF A SERIES ON THE GOP'S HANDLING OF CANAL ISSUE AT THE NATIONAL ASSEMBLY OF CORREGIMIENTO REPRESENTATIVES SESSION JULY 18, ANALYSES TREATY ADVISER JORGE ILLUECA'S SPEECH. ILLUECA OUTLINED POSITIONS THE U.S. AND PANAMA SUPPOSEDLY HAVE TAKEN IN THE NEGOTIATIONS. HE EXAGGERATED THE HARDNESS AND UNREASONABLENESS OF THE U.S. POSITION WHILE MAKING PANAMA'S POSITION APPEAR MODERATE. AT THE SAME TIME, HE SPECIFICALLY TICKED OFF THOSE THINGS IN ALLEGED U.S. POSITIONS THAT PANAMA HAD REJECTED AS WELL AS THOSE ON WHICH PROGRESS HAD BEEN ACHIEVED. HE ALSO EMPHASIZED COMPLEXITY OF NEGOTIATIONS AND PROBLEMS INVOLVED IN DEALING WITH A GREAT POWER. THE OBVIOUS MESSAGE UNDERLYING ALL OF THIS WAS THAT PANAMA'S NEGOTIATORS FACE A FORMIDABLE OPPONENT, NO "SELL-OUT" IS UNDER WAY, PANAMA'S LEADERS ARE AWARE OF THE PROBLEMS THEY FACE AND WILL NOT BE DECEIVED, AND, SINCE NO AGREEMENT IS NEAR, NEGOTIATIONS WILL GO ON FOR SOME TIME. HIS REMARKS ON TREATY DURATION (NOT BEYOND THE YEAR 2000) AND THE UNACCEPTABILITY OF US LANDS AND WATERS POSITION WERE NOT NEW AS PANAMANIAN OFFICIALS HAVE REPEATEDLY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PANAMA 04480 251605Z

MADE KNOWN THEIR POSITION ON DURATION, AND THAT LANDS AND WATERS

RETURNED TO PANAMA MUST BE SUFFICIENT TO SHOW PANAMANIAN PEOPLE THAT GOP HAS OBTAINED "EFFECTIVE" SOVEREIGNTY OVER CANAL ZONE. END SUMMARY.

1. INTRODUCTION: THIS MESSAGE IS THE FIRST OF A SERIES CONCERNING SPEECHES BY GOP OFFICIALS ON CANAL ISSUE AND US-PANAMANIAN RELATIONS DURING JULY 18 SESSION OF NATIONAL ASSEMBLY OF CORREGIMIENTO REPRESENTATIVES (NACR) AT DAVID, CHIRIQUI PROVINCE. AS FBIS HAS TRANSMITTED MAJOR PARTS OF THESE SPEECHES AND THE NACR RESOLUTION, EMBASSY REPORTING WILL BE LIMITED TO HIGHLIGHTS AND ANALYSIS OF SIGNIFICANT ASPECTS OF THE STATEMENTS AND THE RESOLUTION. THAT PART OF THE ASSEMBLY SESSION DEVOTED TO CANAL ISSUE WAS OPENED BY PANAMANIAN AMBASSADOR NICOLAS GONZALEZ"REVILLA WHO INTRODUCED FOREIGN MINISTRY TREATY ADVISER DR JORGE ILLUECA. THE LATTER GAVE A GENERAL OVERVIEW OF THE STATUS OF THE NEGOTIATIONS. HE WAS FOLLOWED BY ADOLFO AHUMADA OF THE NATIONAL LEGISLATIVE COMMISSION AND MEMBER OF THE NEGOTIATING TEAM WHO SPOKE ON US-PANAMANIAN RELATIONS AND EXPLAINED WHY GOP DECIDED UPON "OPEN-DOOR" POLICY. ENGINEER ARNALDO CANO, DIRECTOR OF PANAMA'S PORT AUTHORITY, AND AUGUSTO ZAMBRANO OF THE MINISTRY OF PLANNING AND ECONOMIC POLICY, SPOKE ON TECHNICAL ASPECTS OF THE CANAL AND HOW THE CANAL ZONE AFFECTS PANAMA'S DEVELOPMENT. UNIVERSITY RECTOR ROMULO ESCOBAR BETHANCOURT SPOKE LAST, FOCUSING ON PROGRESS ACHIEVED AND POLITICAL REALITIES SURROUNDING THE VARIOUS ISSUES IN THE NEGOTIATION. THIS CABLE CONTAINS COMMENTS ON ILLUECA'S PRESENTATION. FOR ILLUECA TEXT SEE FBIS PANAMA 182248Z, 182253Z AND 182258Z , JULY 75. SUBSEQUENT CABLES WILL ANALYZE COMMENTS OF OTHER SPEAKERS.

2. ILLUECA BASED HIS COMMENTS ON THE "PRESENT STATUS OF NEGOTIATIONS" PAPER USED WITH THE STUDENTS JULY 9 (FOR TEXT SEE PANAMA 4248). HE CHARACTERIZED THE NEGOTIATIONS AS A "BASIC PATRIOTIC PROGRAM OF NATIONAL IDENTITY". THE DESCRIPTION GIVEN OF THE US POSITION IN THE GOP PAPER AND BY ILLUECA APPEARS TO BE THE GOP'S PERCEPTION OF A COMBINATION OF THE VIEWS OF THE US CONGRESS, SOME ASPECTS OF THE 1971-72 NEGOTIATING POSITION, PLUS SOME US POSITIONS IN THE PRESENT NEGOTIATION. THE NET RESULT WAS AN EXAGGERATION OF THE TOUGHNESS OF THE US POSITION. THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PANAMA 04480 251605Z

BASIC POSITION OF THE US, ACCORDING TO ILLUECA, IS "TO MAINTAIN UNILATERAL CONTROL OVER THE OPERATION AND ADMINISTRATION OF THE CANAL ..." THIS POSITION "INVOLVES THE ENTIRE CONSTITUTIONAL PROCESS OF THE UNITED STATES, WHICH DEMANDS THAT ANY TREATY SIGNED WITH PANAMA BE SUBMITTED TO THE US SENATE FOR APPROVAL, AND WITHIN THAT SENATE THERE ARE CERTAIN SECTORS WITH VERY PARTICULAR IDEAS..." SUBSEQUENTLY HE SAID "THE DIFFICULT PART OF THESE NEGOTIATIONS--AND IT IS ADVISABLE THAT THE PANAMANIAN BECOME AWARE OF THIS AND

PERCEIVE IT...IS THAT THE NEGOTIATION IS BEING CARRIED OUT WITH A VERY GREAT POWER, AND WHEN ONE BELIEVES THAT SOMETHING IS BEING GRANTED, IT TURNS OUT THAT SOMETHING ELSE IS BEING SUBTRACTED. SO IT BECOMES NECESSARY TO PERFORM SOME MAGIC TRICKS TO SEE IF IT IS A MATTER OF SORCERY--TO SEE IF THE WORDS BEING USED ARE REAL WORDS OR FICTITIOUS ONES. THE (US) AGREE TO THE JURISDICTITIONAL DEADLINE (THREE YEARS), BUT THE MEANING--THAT THE CONCEPT OF THE CANAL ZONE OR CANAL AREA, OR CANAL ZONE GOVERNMENT WITH ZONIAN LAWS AND POLICE BE ELIMINATED--IS THEN CONTRADICTED BY THE ISSUE OF LANDS AND WATERS IN WHICH THERE IS HAGGLING WITH PANAMA IN AN UNACCEPTABLE MANNER."

3. FOR PANAMANAINS, JURISDICTION AND LANDS AND WATERS ARE IN-EXTRICABLY LINKED. THIS ILLUECA DEFINED JURISDICTION AS MEANING "REINTEGRATION IN THE PHYSICAL, POLITICAL, CULTURAL, ECONOMIC, LABOR AND ALL OTHER ASPECTS--UNDER PANAMANIAN LAWS, UNDER THE PANAMANIAN CONSTITUTION, AND UNDER THE AUTHORITY OF THIS ASSEMBLY OF REPRESENTATIVES--OF THAT STRIP OF OUR TERRITORY." BUT THE US, IN PANAMA'S VIEW, IS WILLING TO RETURN ONLY "A VERY SMALL PROPORTION" OF LAND TO PANAMA, THEREFORE THE CANAL ZONE IN ANY MEANINGFUL SENSE WOULD NOT DISAPPEAR.

4. ON DURATION, ILLUECA TALKED OF TWO TERMS. FIRST WAS THE 3-YEAR DURATION FOR JURISDICTION. THE SECOND TERM WAS OVERALL TREATY DURATION FOR THE OPERATION AND ADMINISTRATION OF THE CANAL WHICH HE STRESSED--SEVERAL TIMES--COULD NOT EXTEND BEYOND THIS CENTURY. ILLUECA'S REMARKS ON MILITARY BASES SEEM TO REJECT THE CONCEPT THAT US MILITARY IN PANAMA COULD HAVE A WIDER CONTINENTAL ROLE BEYOND THE DEFENSE OF THE CANAL UNDER A NEW TREATY. THE IDEA THAT THE US WOULD CONTINUE TO CONTROL PANAMA'S AIRSPACE WAS ALSO REJECTED.

5. THE UNITED STATES' PROPOSAL ON ECONOMIC BENEFITS FOR PANAMA
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 PANAMA 04480 251605Z

"OFFERS ILLUSORY THINGS", SAID ILLUECA. THE US FORMULA BASED ON TOLLS WOULD REACH A MAXIMUM OF \$44 MILLION AND IN PANAMA'S VIEW DOES NOT REFLECT THE ENORMOUS SAVINGS RECEIVED BY CANAL USERS. THE US CLAIM THAT THE CANAL HAS NOT PAID FOR ITSELF, HE ALLEGED, CAUSES "GUFFAWS" WHEN ONE CALCULATES, BASED ON US OFFICIAL SOURCES, THE CANAL SAVED THE US DURING WW II \$1.5 BILLION IN MILITARY TRANSPORT COSTS. NEVERTHELESS, ILLUECA STRESSED THAT ECONOMIC BENEFITS HAS LESS PRIORITY THAN OTHER ISSUES INVOLVING NATIONAL DIGNITY AND THAT PANAMA WOULD NOT DISCUSS THIS ISSUE UNTIL OTHERS ARE SETTLED.

6. COMMENT: ILLUECA'S SPEECH WAS IN NO WAY INFLAMMATORY AND WAS CLEARLY DESIGNED TO DEMONSTRATE TO THE REPRESENTATIVES AND THE PANAMANIAN PEOPLE THAT PANAMA'S NEGOTIATORS ARE FACING A FORMIDABLE OPPONENT BUT NEVERTHELESS ARE EXHIBITING FIRMNESS IN PROTECTING

PANAMA'S NATIONAL DIGNITY AND NATIONALIST POSITION. THE EXPLICIT MENTION OF POSITIONS THAT PANAMA HAS REJECTED WAS INTENDED TO SHOW THAT NO "SELL-OUT" IS UNDERWAY AND THAT SOME PROGRESS HAD BEEN ACHIEVED. PARTS OF ILLUECA'S SPEECH ILLUSTRATE CLEARLY THE FEAR PANAMANIAN HAVE OF BEING OUTMANUEVERED OR OTHERWISE TRICKED IN NEGOTIATIONS WITH THE US THE PHRASE- OLOGY OF HIS SPEECH, HOWEVER, LEAVES ROOM FOR COMPROMISE ON NEARLY ALL ISSUES. THE FIRMNESS EXHIBITED ON DURATION AND LANDS AND WATERS WAS NOT NEW. TORRIJOS AND OTHER GOP LEADERS HAVE REPEATEDLY SAID, PRIVATELY AND PUBLICLY, THAT A TREATY COULD NOT EXTEND BEYOND THIS CENTURY, THAT HE WOULD NOT COMMIT ANOTHER PANAMANIAN GENERATION TO LIVE UNDER FOREIGN "SOVEREIGNTY" AND THAT 100 YEARS OF FOREIGN OCCUPATION WAS ALL PANAMA COULD STAND. THAT THE US POSITION WAS DISTORTED BY INCLUSION OF PREVIOUS NEGOTIATING POSITIONS IS INTENDED TO CONVINCE PEOPLE THAT AGREEMENT IS NOT NEAR AND THAT PROTRACTED TOUGH NEGOTIATIONS LIE AHEAD.

JORDEN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION, NEGOTIATIONS, PANAMA CANAL TREATY, SPEECHES
Control Number: n/a
Copy: SINGLE
Draft Date: 25 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PANAMA04480
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750258-0147
From: PANAMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750721/aaaaasyp.tel
Line Count: 187
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 PANAMA 4229, 75 PANAMA 4248
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 SEP 2003 by SmithRJ>; APPROVED <29 OCT 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CANAL TREATY NEGOTIATIONS: NACR SESSION I: ILLUECA SPEECH
TAGS: PGOV, PN, US, PQ, (ILLUECA, JORGE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006